

Memorandum

TAB 81

To: CHAIR AND COMMISSIONERS

CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 14-15, 2011

Reference No.: 2.5e.(1)
Action Item

From: NORMA ORTEGA
Chief Financial Officer



Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **ALLOCATION FOR SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-11-08**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission allocate an additional \$80,000 for one State Highway Operation and Protection Program (SHOPP) project identified below.

ISSUE:

Additional funds are needed for one previously voted project in order to close out the construction contract.

RESOLUTION:

Resolved, that \$80,000 be allocated from the Budget Act of 2011, Budget Act Items 2660-302-0042 and 2660-302-0890 to provide additional funds for the project identified below.

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original allocated Amount</u>	<u>Original Award Amount</u>	<u>Current Allocation</u>	<u>Allocation Adjustment</u>	<u>Revised Allocation</u>	<u>% Increase Above Current Allocation</u>
I	01-Lak-29	\$993,000	\$993,000	\$1,193,000	\$80,000	\$1,273,000	6.7%

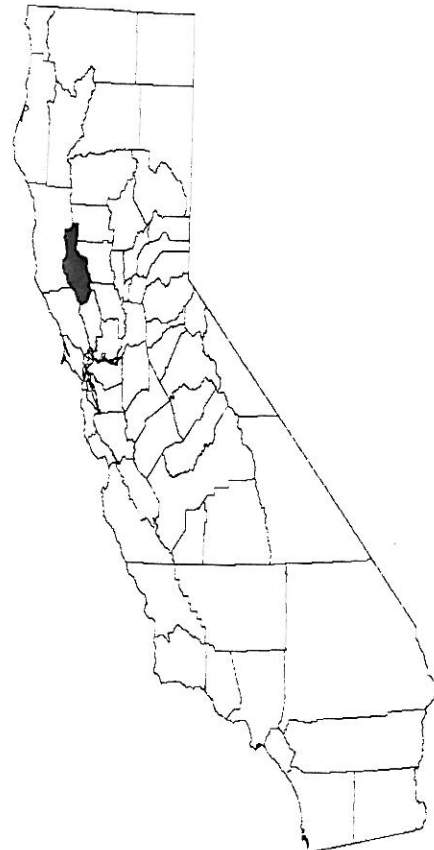
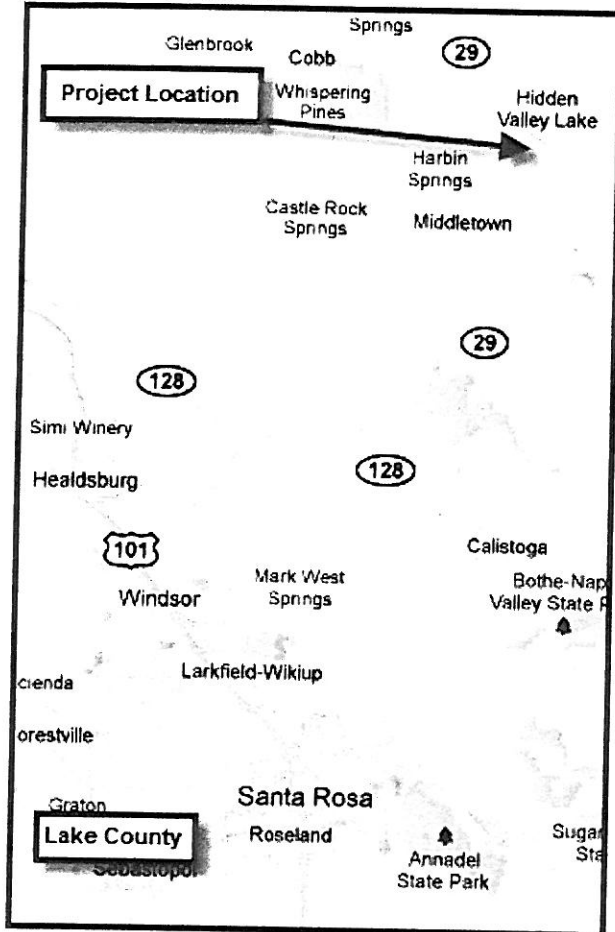
CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

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Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	PPNO Program Funding Year Item # Fund Type Program Codes Project ID Adv Phase EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(1) Supplemental Funds for Previously Voted Projects			Resolution FA-11-08		
1 \$80,000 Department of Transportation Lake 01-Lak-29 10.9/11.3	Near Middletown, 0.2 mile south to 0.2 mile north of Hidden Valley Road. <u>Outcome/Output:</u> Channelize intersection to reduce the number and severity of collisions. Supplemental funds needed to close out construction contract. Total Revised Amount: \$1,273,000	01-3049 SHOPP 2006-07 302-0042 SHA 302-0890 FTF 20.20.201.010 0100000248 4 461604 SHOPP 2011-12 302-0042 SHA 302-0890 FTF 20.20.201.010	\$119,500 \$1,073,500	\$8,000 \$72,000	\$119,500 \$1,073,500 \$8,000 \$72,000

RECOMMENDATION:

The Department recommends that this request for \$80,000 be approved to allow the Department to close out the contract.



PROJECT DESCRIPTION:

This project is located in Lake County near Middletown from 0.2 mile south to 0.2 mile north of Hidden Valley Road. A traffic safety investigation identified this area as "Collision Concentration Location" due to 12 collisions that occurred over a five-year study period. This project widens the roadway to allow channelization of the intersection of Hidden Valley Road/Spruce Grove Extension. The work included left-turn lanes, right-turn pockets, wider paved shoulders and intersection lighting.

FUNDING STATUS:

This SHOPP project was voted in July 2007 for \$993,000 and awarded for \$993,000 in October 2007. The project is now completed, but there are insufficient funds to pay for the settlement of claims. An additional \$80,000 in supplemental funds is needed to close out the contract and results in an overall increase of 6.7 percent over the current allocation.

REASONS FOR COST INCREASE:

The supplemental funds request is necessary to pay the contractor for arbitration claims settlement. The construction of this project was completed and the contract was accepted on August 2008. However, upon receiving the Proposed Final Estimate (PFE), the contractor submitted exceptions to the PFE seeking reimbursement for an additional \$148,484 plus interest costs and attorney fees. Most of the claims in extra costs are related to a failed final lift of asphalt concrete pavement. The failed asphalt concrete pavement was removed and subsequently successfully replaced by the contractor using a different mix design. The arbitration hearing was scheduled for October 10, 2011. However, prior to the arbitration hearing, both parties agreed to resolve the claim for \$80,000, including any accrued interests. This settlement is in the best interest of the state, and therefore, the Department is requesting an additional \$80,000 in order to close out this construction contract.

FUNDING OPTIONS:

- OPTION A:** Approve this request for supplemental funds, as presented above, for \$80,000 to allow the close-out of this project.
- OPTION B:** Deny this request and require the contractor pursue payment from the Department through further legal action. The Department has considered this option and determined that the future costs to resolve these issues would most likely be greater than the current request.

RECOMMENDED OPTION:

The Department recommends that this request for \$80,000, as presented in Option A above, be approved to allow the close-out of this project.